

February 12, 2025

Senator Margaret Rotundo, Chair
Representative Drew Gattine, Chair
Members of the Appropriations and Financial Affairs Committee

Senator Henry Ingwersen, Chair
Representative Michele Meyer, Chair
Members of the Health and Human Services Committee

RE: Testimony IN OPPOSITION - LD 210, Language Part "SS" Establishes a \$0.70 cents per pharmacy prescription assessment on pharmacy providers

Dear Senator Rotundo, Representative Gattine and members of the Appropriations and Financial Affairs Committee, and Senator Ingwersen, Representative Meyer and members of the Health and Human Services Committee:

My name is Matthew Talbot and I am a pharmacist and owner of City Drug Store and Ashland Drug Store in Aroostook County. I have been practicing pharmacy for 11 years and a pharmacy owner for 5 years. I am a resident of Presque Isle. I am submitting testimony in opposition of LD 210 part SS which establishes a \$0.70 cent per pharmacy prescription assessment on pharmacy providers.

The Mills Administration is saying this proposal will be budget neutral **in aggregate** but there is no guarantee that individual pharmacies will be made whole. I understand that while some pharmacies will receive an increased reimbursement for MaineCare prescriptions, this proposal will hurt Maine pharmacies. There will be winners and losers. Everyone is taxed at the same rate per prescription, but only pharmacies that fill a high degree of MaineCare prescriptions will have a chance to be made whole. This is **not pharmacy neutral** as they say. A pharmacy will be taxed on 100% of prescriptions filled in exchange for proposed reimbursement improvement on Mainecare prescriptions, which even in an above average Medicaid population like Aroostook County may amount to 30% of a pharmacy's total prescription volume.

The tax and increased MaineCare dispense fee are **two different initiatives, and only the \$.70 tax is in the budget**. We've been told they will be linked together, but I have concerns that one might move forward without the other. How do we know they will both get passed? Given the uncertainty with federal funding, there is no guarantee the federal draw down of funds will materialize. Maine's budget proposal is anticipating significant increased Medicaid spending. Pharmacists don't determine who qualifies or not for MaineCare. Why are we funding this on the back of pharmacies when the state has said they cannot "hold harmless" pharmacies with this scheme?

It has been well-documented that pharmacies are struggling and looking for a lifeline. A National Community Pharmacists Association 2024 analysis showed independent pharmacy closures accelerated to a rate of over 1 closure per day. **I have grave concerns that pharmacies will close if this initiative passes. There are not enough pharmacies to fill the gaps we're seeing.** This tax appears to apply to all pharmacies IN MAINE including FQHC pharmacies, long-term care pharmacies & compounding pharmacies. Only pharmacies that bill MaineCare will have any chance to recoup some of this tax. We believe out of state mail order pharmacies will not have to pay this tax under the proposal. This will not just negatively affect independent pharmacies. It is well-

documented that large chain pharmacies are also closing across the country. **More pharmacies closing sacrifices patient care.**

I sincerely hope you will recognize the faults with the proposal and vote to remove it from the budget. Thank you for your time.

Matthew Talbot, PharmD
President, Aroostook Apothecary LLC